



US Army Corps
of Engineers®

SAN FRANCISCO DISTRICT

Regulatory Branch
1455 Market Street
San Francisco, CA 94103-1398

PUBLIC NOTICE

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1. **INTRODUCTION:** Saggio Hills Development Company, LLC (SHDC), P.O. Box 1506, Healdsburg, California through its agent Charles Patterson, has applied for a Department of the Army permit to discharge fill material into jurisdictional wetlands and other waters of the United States to facilitate construction of a mixed use community development, referred to as the "Saggio Hills Project." The project site is located at 16840 Healdsburg Avenue, on the historically known Passalaqua Ranch, in northeastern Healdsburg, between Highway 101 (less than one mile to the west) and the Russian River to the east, in Sonoma County, California. This application is being processed pursuant to the provisions of Section 404 of the Clean Water Act (33 U.S.C. § 1344). Section 404 regulates the discharge of dredged and fill material below the plane of ordinary high water in non-tidal waters of the United States and within the lateral extent of wetlands adjacent to these waters.

2. **PROJECT PURPOSE AND NEED:** SHDC indicates the overall purpose and need for the project are to complete the development of a mixed-use resort community and associated features, to provide open space and parks, and to improve and upgrade roadways within the project area. The project's implementation would constitute an incremental portion of the City of Healdsburg's planning goals for the northeastern part of the City, and would generate income and jobs, and provide some affordable housing for the locale.

3. **PROJECT DESCRIPTION:** As shown in the attached drawings, SHDC is proposing to construct a 258.6-acre planned development on the former Passalaqua Ranch; approximately 32% of the total project site would be developed, 63% of the site would remain as natural open space, and 5% of the site would serve as vineyard. The project at full build-out would consist of several land uses, including a resort hotel and associated amenities, 70 resort residences, affordable housing, a community park, public and private open space and trails, a City fire substation, and associated on-site and off-site infrastructure and road improvements to support the overall project. Healdsburg Avenue would be improved and widened, beginning south of

the project site at the Foss Creek road crossing and extending northward approximately 585 feet past the Passalaqua Drive entrance. All proposed construction would incorporate the use of vegetated swales and other bio-retention measures as the primary best management practices for treating stormwater. Bio-retention planters would be used to collect and treat runoff from rooftops, and vegetated and rock-lined swales placed in landscape areas would intercept and treat runoff from parking areas, roads, and other park hardscape areas before discharging into other waters or the existing Foss Creek detention basin.

Implementation of the overall project would occur in several phases, with each phase to include grading, removal of trees and other vegetation, and construction of roads, other paved areas, utilities and buildings, and drainage improvements. The project would displace approximately 2.08 acres of seasonal wetlands and 1,100 lineal feet of small ephemeral channels, resulting in the discharge of up to 1,200 cubic yards of fill material into waters of the United States.

The principal elements of the overall project are as follows:

Resort Hotel Complex: This development would include construction of a 130-room destination resort with an extensive array of support facilities for guests and local residents, including underground parking, meeting rooms, a restaurant and gift shop, a spa and health center, a demonstration cooking building, an outdoor wedding pavilion, vineyards, and associated maintenance and support buildings. This development would also include the construction of 33 one- and two-story bungalows, each containing two to six guest rooms. The resort complex would result in the construction of approximately 406,175 square feet of buildings and parking area, occupying portions of 91.11 acres in the northeast area of the project site.

Resort Residential Housing: This development would include construction of 70 resort residences and villas averaging 8,095 square feet in size, occupying portions of 113

acres in the central and southeast portions of the project site. The resort residences and villas would be surrounded by 86 acres of private open space to be owned and maintained by the homeowners association.

Fire Substation: This facility would include parking bays to accommodate fire and other emergency vehicles on the first floor, three efficiency apartments on the second floor, possibly a community meeting space, and staff and public parking for 12-30 cars. This facility would occur on a 0.85-acre area located along Healdsburg Avenue at the southwest corner of the site.

Community Park: East of the existing detention basin, a 36.15-acre area would be dedicated to the City for use as a community park. The park would include an active recreation area with sports fields, basketball courts, and a playground with a tot lot; a concessions kiosk; a trail network and trailhead; a riparian and wetland preserve area; group picnics shelters and covered pavilions to accommodate public events; public restrooms; and 250 parking spaces in two lots.

Affordable Housing: Site grading, installation of utility infrastructure, and road construction would take place on a 14.16-acre area designated for up to 150 units of affordable housing in the south-central portion of the project site. This area would be then dedicated to the City for the purpose of future housing design and construction.

4. PROPOSED MITIGATION: The project site contains approximately 3.8 acres of wetlands and other waters subject to regulation under Section 404 of the Clean Water Act. Overall project construction would displace up to 2.08 acres of jurisdictional wetlands and other waters, while preserving the remainder of wetlands primarily in the Community Park area along Foss Creek. Wetland creation would occur prior to any loss or displacement of wetlands at a minimum 1:1 compensatory replacement ratio within two designated mitigation areas. One wetland mitigation area would be adjacent to and north of the main preserved wetland meadow in the Community Park, and the second mitigation area would be located immediately off-site to the west in the Barbieri Brothers Park. Wetland creation work would involve the excavation of upland soils to create a series of shallow basins averaging 1.5 feet in depth to establish suitable hydrological conditions for wetland plant establishment via seeding and other means. All wetland construction and work and planting would be supervised by a qualified biologist. Annual maintenance and monitoring of the created wetlands would be performed for a minimum five-year period or until specific performance criteria were attained. The wetland preservation and mitigation areas would be protected in perpetuity via deed restrictions recorded with the City.

In addition, the overall project would require 20 creek crossings to accommodate road construction and access; at these locations, all undersized culverts would be replaced with new culvert structures and rock energy dissipators sufficiently sized to withstand a range of high flow events and to minimize future undercutting and channel erosion.

Finally, to compensate for the loss of approximately 1,100 lineal feet of ephemeral other waters associated with road realignment and resort construction work, approximately 3,500 lineal feet of creekbed, including portions of Foss Creek in the vicinity of the Community Park, would be restored by stabilizing or back-grading the banks, installing check dams in the channel where the thalweg was excessively steep, and replanting disturbed slopes with appropriate riparian and other native vegetation.

5. PROJECT SITE DESCRIPTION: The 258.6 acre project site is located at the historically known Passalacqua Ranch in northeastern Healdsburg. The project site has a mixture of open annual grassland and mature oak woodland/savanna, and consists of gently rolling hills and small intervening ravines and valleys which primarily drain southwestward into Foss Creek. Historically, the project site has been used for livestock grazing for many years and, therefore, was altered from its more natural grassland landscape to a non-native annual grassland type. Much of the project site is, however, covered by a natural oak woodland/savanna community composed of native oaks (*Quercus agrifolia*, *Q. douglasii*, *Q. lobata*, and *Q. kelloggii*) and madrones (*Arbutus menziesii*). The north slopes and protected areas support a shrubby understory of young oaks, manzanita (*Arcostaphylos* spp.), coyote bush (*Baccharis pilularis*), toyon (*Heteromeles arbutifolia*), and poison oak (*Toxicodendron diversilobum*).

Wetlands occur within the project site primarily as seasonally wet meadows. There are no vernal pools or freshwater marshes. There are three primary meadows on the project site: a 2.3-acre meadow located at the proposed Community Park site and two smaller meadows (0.94 and 0.22 acre) located at the proposed Affordable Housing site. Additionally, there are two highly weedy seasonally wet meadows (0.15 and 0.25 acre) located at a small drainage in the northeast corner and at the right point of entry off Healdsburg Avenue. None of the meadows are persistently ponded, as they are all nearly level or have a gentle gradient. These wetland meadows support native and naturalized perennials, such as common mint or pennyroyal (*Mentha pulegium*), curly dock (*Rumex crispus*), dense sedge (*Carex densa*), several common native rushes (*Juncus phaeocephalus*, *J. tenuis*, *J. bufonius*, *J. effusus*), loosestrife (*Lythrum hyssopifolia*), coyote thistle (*Eryngium aristulatum*), and occasional spikerush (*Eleocharis palustris*), common semaphore grass (*Pleuropogon californicus*), and flowering quillwort

(*Lilaea scilloides*). These wetland meadows have been degraded from past land uses (grazing, trampling) and have been invaded by a number of introduced plant species, such as *Lolium*, *Hordeum*, *Paspalum*, *Rumex*, *Cyperus*, *Phalaris*, *Festuca arundinacea*, *Polypogon*, *Mentha*, and others.

6. STATE APPROVALS: State water quality certification is a prerequisite for the issuance of a Department of the Army permit to conduct any activity which may result in a fill or pollutant discharge into waters of the United States, pursuant to Section 401 of the Clean Water Act (33 U.S.C. § 1341). SHDC has recently submitted an application to the Regional Water Quality Control Board (RWQCB) to obtain water quality certification for the project. No Department of the Army permit will be issued until SHDC obtains the required certification or a presumed waiver of certification. A waiver may be presumed if the RWQCB fails or refuses to act on a complete application for water quality certification within 60 days of receipt, unless the District Engineer determines a shorter or longer period is a reasonable time for the RWQCB to act. Water quality issues should be directed to the Executive Officer, Regional Water Quality Control Board, North Coast Region, 5550 Skylane Boulevard, Suite A, Santa Rosa, California 95403, by the close of the public notice comment period.

Section 307(c) of the Coastal Zone Management Act of 1972, as amended (16 U.S.C. § 1456(c)), requires a non-Federal applicant seeking a federal license or permit to conduct any activity occurring in or affecting the coastal zone to furnish a certification that indicates the activity conforms with the State's coastal zone management program. Generally, no federal license or permit will be issued until the appropriate State agency has concurred with the certification statement or has waived its right to do so. The project does not occur in the coastal zone, and a preliminary review by USACE indicates that the project would not likely affect coastal zone resources. This presumption on effect, however, remains subject to a final determination by the California Coastal Commission.

The project is also subject to local zoning and permitting requirements administered by the City of Healdsburg and presumably a Stream Alteration Agreement administered by the California Department of Fish and Game.

7. COMPLIANCE WITH VARIOUS FEDERAL LAWS:

National Environmental Policy Act of 1969 (NEPA): At the conclusion of the public comment period, the USACE will assess the environmental impacts of the proposed action in accordance with the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. §§ 4321-4347), the Council on

Environmental Quality's Regulations (40 C.F.R. §§ 1500-1508), and USACE Regulations (33 C.F.R. § 325). The final NEPA analysis will normally address the direct, indirect, and cumulative impacts that result from regulated activities within the jurisdiction of the USACE and other non-regulated activities the USACE determines to be within its purview of Federal control and responsibility to justify an expanded scope of analysis for NEPA purposes. The final NEPA analysis will be incorporated in the decision documentation that provides the rationale for issuing or denying a Department of the Army Permit for the project. The final NEPA analysis and supporting documentation will be on file in the San Francisco District, Regulatory Branch, 1455 Market Street, San Francisco, California.

Endangered Species Act of 1973 (ESA): The California Natural Diversity Data Base was reviewed for records of occurrences of special status animals, plants, and natural communities that have been reported in the project vicinity. No federally-listed threatened or endangered species are known to occur on-site or in the immediate project vicinity. None of the on-site wetland areas represent good potential habitat for any rare, endangered or otherwise sensitive species, and no such species were observed during site field surveys. The on-site drainages are inaccessible to anadromous fish species and lack constituent habitat elements necessary for spawning and rearing. Based on a review of this information, USACE has made a preliminary determination that the project would not affect federally-listed threatened or endangered species, or designated critical habitat.

Magnuson-Stevens Fisheries Conservation and Management Act of 1996 (MSFCMA): Based on a review of the aforementioned information discussed under ESA, USACE has made a preliminary determination that the project would not affect designated essential fish habitat for the Pacific Salmon Fishery.

National Historic Preservation Act of 1966 (NHPA): Current survey information on file with various City, State and Federal agencies, does not document any known occurrence of historic or archaeological resources on the project site. Based on a review of this information, USACE has made a preliminary determination that the project would not affect historic or archaeological resources eligible or potentially eligible for listing on the National Register of Historic Places. If unrecorded archaeological resources were discovered during project construction, such operations would be suspended until USACE concluded Section 106 consultation with the State Historic Preservation Office to take into account any construction-related impacts to these resources.

8. COMPLIANCE WITH THE 404(b)(1) GUIDELINES: Projects resulting in discharges of dredged or fill material into

waters of the United States must comply with the Guidelines promulgated by the Administrator of the Environmental Protection Agency under Section 404(b) of the Clean Water Act (33 U.S.C. § 1344(b)). An evaluation pursuant to the Guidelines indicates the project is **not** dependent on location in or proximity to waters of the United States to achieve the basic project purpose of constructing a mixed use building and luxury resort complex. This determination raises a (rebuttable) presumption of the availability of a less environmentally damaging practicable alternative to the project that does not require the discharge of dredged or fill material into special aquatic sites. SHDC has submitted an analysis of project alternatives to be reviewed for compliance with the Guidelines.

9. PUBLIC INTEREST EVALUATION: The decision whether to issue a Department of the Army permit will be based on an evaluation of the probable impacts, including cumulative impacts, of the project and its intended use of the public interest. Evaluation of the probable impacts requires a careful weighing of the public interest factors relevant in each particular case. The benefits that may accrue from the project must be balanced against any reasonably foreseeable detriments of project implementation. The decision on permit issuance will, therefore, reflect the national concern for both protection and utilization of important resources. Public interest factors which may be relevant to the decision process include conservation, economics, aesthetics, general environmental concerns, wetlands, cultural resources, fish and wildlife, flood hazards, floodplain values, land use, land use, navigation, shoreline erosion and accretion, recreation, water supply and conservation, water quality, energy needs, safety, food and fiber production, mineral needs, considerations of property ownership, and, in general, the needs and welfare of the people.

10. CONSIDERATION OF COMMENTS: USACE is soliciting comments from the public, Federal, State and local agencies and officials, Indian Tribes, and other interested parties in order to consider and evaluate the impacts of the project. All comments received by USACE will be considered in the decision whether to issue, modify, condition, or deny a Department of the Army permit for the project. To make this decision, comments are used to assess impacts on endangered species, historic properties, water quality, and other environmental factors addressed in a final Environmental Assessment or Environmental Impact Statement. Comments are also used to determine the need for a public hearing and to determine the overall public interest of the project.

11. SUBMISSION OF COMMENTS: During the specified comment period, interested parties may submit written comments to the San Francisco District, Regulatory Branch, 1455 Market Street, 16th Floor, San Francisco, California 94103-1398, citing the applicant's name and Public Notice Number in the letter. Comments may include a request for a public hearing on the project prior to a determination on permit issuance; such comments must state, with particularity, the reasons for holding a public hearing. All comments will be forwarded to SHDC for resolution or rebuttal. Additional information may be obtained from SHDC or by contacting Peter Straub of our Regulatory Branch by telephone at 415-503-6774 or by e-mail at peter.s.straub@usace.army.mil.